

Time for Reviving Multilateral Trading System

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It is important for the B20 to take a three pronged approach of inclusiveness, action orientation and differentiation. The recent epidemic that has decelerated growth has shaken all of us out of our comfort zones and forced us to re-strategise and think out of the box. It has dealt the world an economic shock, the likes of which is unprecedented even when one looks back at the oil crisis of the 1970s or the financial crisis of 2008. While, it has stressed on the inevitability of global cooperation, it has taught the key lesson of the need for reliability and resilience of supply chains. We must therefore explore the unshackling of our existing value chains and look forward to new and innovative ways of cooperation.

The situation could also lead to an increasing focus on revitalizing domestic production. However, this would surely not be at the cost of reliable and dependable trading partners, thereby preserving the importance of global trade and commerce. In case of India, we have embarked upon the policy of *Atmanirbhar* which seeks to make India economically stronger with enhanced

capacities thereby making a meaningful contribution to its citizens and the world. This was manifested during the COVID-19 period when we ramped up our daily production of PPE kits to over half million from virtually nil earlier. We are self-sufficient in testing kits, masks, ventilators, etc. We also ensured equitable and transparent supplies of critical medicines like hydrochloroquine and paracetamol as well as medical textiles. These measures reinforced our credibility as a reliable, trustworthy and empathetic partner working for the common good.

Multilateralism has been the bedrock of India's trade policy and we attach great importance to a well-functioning and efficient multilateral trading regime enshrined in the WTO. In order to ensure the efficacy of the system, we must always keep in perspective two key elements - the mutual benefit from the system, as perceived by its members and mutual trust. Further, the members will have a higher stake in the multilateral trading system if they have a strong sense of effective participation in its decision-

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making process. Further, we must be cognizant of the fact that the historical legacy of the multilateral system has bestowed upon us an existing asymmetry and imbalance in favour of some.

The need for reforming the WTO cannot be overstated wherein the process must be transparent and inclusive. It must preserve the key elements and cardinal principles of the WTO and keep the concerns of the developing countries, at the heart of the reform process. It needs to follow some of the key tenets, such as equity, non-discrimination, decision making by consensus, two-stage dispute resolution mechanism and less than full reciprocity in trade negotiations. India is committed to engaging constructively in a process which will result in reforming the WTO so that the system responds positively to the needs and aspirations of the developing countries. India would like to thank Saudi Arabia for its able leadership in finalizing the Riyadh Initiative on the Future of the WTO which is a step in this direction.

However, the agenda of the B20 trade and investment taskforce has some references to certain plurilateral agreements under discussion amongst some WTO members such as on investment facilitation, e-commerce and domestic regulation on services. It is important to understand that many key Members of the WTO including India are not part of these plurilateral agreements. Moreover, we are of the view that they could adversely impact the inclusivity of the multilateral negotiating process. There are multilateral forums in some of these areas like the work programme on e-commerce and the working party on domestic regulation (WPDR) on services, but there is reluctance by some countries to work under this forum. Hence, the B20 must exercise caution and keep

in perspective the background while discussing these issues.

India has ushered in bold and transformational reforms in the areas of agriculture, mining, defence, space technology, logistics, financial & other sectors. There is an unwavering commitment to facilitate investment, foster innovation, increase trade, enhance skill development, built a state-of-the-art manufacturing infrastructure and protect intellectual property in line with our international commitments with a view to transform India into a global design and manufacturing hub. The specifics of these are the One Nation, One Tax vision through GST, Insolvency and Bankruptcy Code to facilitate the smooth closure of inoperative/defunct enterprises, Make in India, Startup India, 'Fund of Funds for Startups' (FFS), Digital India programme, relaxation of sectoral caps and establishment of single window clearance systems to ensure fast-tracking approval processes in FDI, reduction of corporate tax etc.

The recent reforms of unshackling the agriculture sector for farmers to realise fair value for their produce thereby creating a One India, One Agriculture Market as well as labour reforms for development of business and industry in the country and generating employment opportunities without diluting basic aspects of safety, security and health of workers are the steps in the right direction.

B-20 deliberations provide the right platform for business leaders to look at creative thinking and exploration of opportunities for enhancement of trade and investment. We must be cognizant that current economic stress is a litmus test for all of us and we need to collaborate and cooperate to emerge stronger.